

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6698

BILL NUMBER: HB 1382

NOTE PREPARED: May 1, 2009

BILL AMENDED: Apr 29, 2009

SUBJECT: Insurance Coverage for Cancer Clinical Trials.

FIRST AUTHOR: Rep. Welch

FIRST SPONSOR: Sen. Gard

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: This bill requires coverage for certain services related to cancer clinical trials under a state employee health plan, the state Medicaid program, a policy of accident and sickness insurance, and a health maintenance organization contract.

Effective Date: July 1, 2009.

Explanation of State Expenditures: *State Employee Health Plan.* The bill would not result in an increase in costs incurred for expenditures related to providing health benefits for state employees because the bill would require the state plan to continue to pay for routine care costs. Routine care costs include items and services that would otherwise be covered by the state plan if they were not provided in a clinical trial. The investigational items or services of the clinical trial that are experimental or investigational are not considered routine costs and would not be covered by the state plan.

Medicaid: The Indiana Medicaid program currently allows for the reimbursement of routine costs of care incurred within approved clinical trials. The current policy, which is modeled on the Medicare policy, is not limited to the treatment of cancer. The provisions of this bill appear to fall within the Medicare guidelines and should have no impact on expenditures in the Medicaid program.

Background Information. As of September 2008, 29,578 state employees were enrolled in an Anthem program. Welborn HMO has an enrollment of 1,404 employees.

Medicaid: In 2000, the Office of Medicaid Policy and Planning (OMPP) began following Medicare's

guidelines to reimburse for routine costs and complications of clinical trials. Medicaid covers the routine costs of approved clinical trials as well as reasonable and necessary items and services used to prevent complications and to diagnose and treat complications arising from participation in all clinical trials. Routine costs include items and services that would otherwise be covered by Medicaid if they were not provided in a clinical trial. The investigational items or services of the clinical trial that are experimental or investigational are not considered routine costs involved in the trial and are not covered by Medicaid.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures* above.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: Local governments and school corporations.

Information Sources: “Indiana Medicaid Medical Assistance Program Medical Policy Manual”, 1/31/2007, OMPP, FSSA at: http://www.indianamedicaid.com/ihcp/misc_pdf/medical_policy_manual.pdf.

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